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Half a Turn
by Senator Larry Craig

I've heard it takes a modern aircraft carrier about two miles to come to a complete stop. The U.S.S. Ronald Reagan is over 1,000 feet long and displaces more than 100,000 tons. It takes a lot of force and a lot of time to stop or change the direction of something so massive, but it can be done.

That being said, sometimes I envy those aircraft carrier captains. Compared to the federal government's maneuverability, an aircraft carrier looks like a sports car! I'm sure that's why some people doubted President Bush in 2004, when he vowed to cut federal budget deficits in half by FY 2009.

At the time, the projected deficit for FY 2004 was \$521 billion. Contemporary congressional and private estimates were similar. I strongly supported the President in this deficit reduction goal because I have always worked for fiscal responsibility in government.

Just a few days ago, I am proud to say, we reached that goal, three years ahead of schedule. The Congressional Budget Office announced on October 11 that the budget deficit for FY 2006 was \$250 billion, which is \$68 billion less than the deficit for 2005. This year's budget deficit equals 1.9 percent of the economy, down from 2.6 percent a year ago. Clearly, the spending restraint this Republican-led Congress has shown, and the economic stimulus provided by our effective tax relief policies, have us headed in the right direction.

The tax relief we approved and President Bush signed in 2001 and 2003 left more money in taxpayers' pockets, and generated a huge surge in tax revenues, which grew more than 11 percent this year, and more than 14 percent last year.

This is no reason for celebration, however. Completing half a marathon or half of a U-turn will not get us to the destination we seek. To be completely honest, Congress can do all the belt-tightening and budget-cutting it wants – and we should continue to do so – but if we do not address entitlement spending, our efforts will be futile. Let me give a quick example why.

Since 2001, more than half – 53 percent – of the increase in federal spending is due to the growth of mandatory spending on Social Security, Medicare, Medicaid and a few other programs. When the Baby Boomer generation begins to retire in a few years, the growth of these “entitlement programs” will explode. According to the Social Security and Medicare trustees, if we don't reform them, the federal

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government would take up 38 percent of the gross domestic product by 2050, compared with 1.9 percent today.

In the meantime, Congress needs to do all it can to ensure that the economy continues to grow, so we can continue to shrink the budget deficits. An economic slow-down or recession will result in shrinking revenues and growing deficits. But some on Capitol Hill don't seem to have gotten the message.

Representative Charlie Rangel is the top-ranking Democrat on the House Ways and Means Committee, which writes federal tax laws. He was asked recently if he could think of a single measure of tax relief that should be made permanent in the law. He said no, he could not. Not the tax cut for families with children, or the reduction of the marriage penalty or elimination of the tax on death. By allowing the tax relief of 2001 and 2003 to expire, Rangel and his Democrat colleagues would raise your taxes. I think that is the wrong way to go if we are serious about economic growth, reducing budget deficits, and restoring fiscal responsibility.

There is no question budget deficits are smaller today. From my first days in the House of Representatives as chief sponsor of the Balanced Budget Amendment (which I still support) to my vote earlier this year against the bloated emergency supplemental spending bill, I have consistently supported efforts to change the course of this big ship. But if we let off now, we won't reach our destination. I'll keep the pressure on, until the U-turn is complete and fiscal sanity returns to Washington.